FBIS DAILY REPORT

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JAUNARENA DISCUSSES NAVY VOLUNTEERS, FULL STOP

PY311735 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2100 GMT 30 Dec 86

[Text] Buenos Aires, 30 Dec (NA) -- This afternoon Defense Minister Horacio Jaunarena announced that next year the Navy will take on approximately 3,000 "volunteer soldiers" who will earn a monthly salary of about 180 australes. He said that this will be a "pilot program" designed to professionalize the Armed Forces and, should it yield satisfactory results, will lead to the abolition of compulsory military service.

During a news conference at his ministry, Jaunarena also disclosed that the shares owned by Military Industries in eight enterprises will go up for sale and that the dismantling of the Air Force bases in Moreno, Moron, and El Palomar will "clear some 1,700 hectares to be used by the community."

He also stated his belief that the amendments made by the Senate to the original draft law setting a deadline for the trial of soldiers charged with violating human rights "have not altered the spirit nor affected the reconciliation we seek."

Referring again to the plan to professionalize the Armed Forces, the minister said that it will be "fully defined around April or May 1987," once a commission formed by representatives of the Defense Ministry, the joint General Staff and the staff of each Armed Forces branch has given its opinion.

He said, however, that what he termed a "pilot program" will be implemented by the Navy as of 1987. This program consists of the hiring of a maximum of 3,000 men.

He said that the volunteers must be single, between 17 and 21 years of age, and have begun primary studies. The candidates will be hired under a 4-year contract that may be annulled once 3 years are up.

The volunteers, should they amount to 3,000 men, will represent 50 percent of the Navy troops. They will carry the rank of sailor second class and be attached to the Navy Infantry Brigade.

Jaunarena explained that "this program will not demand any extra administrative effort." He admitted that "at the beginning a larger budget will be necessary to pay their salaries, but expenses will drop after 3 or 4 years, because the hired personnel will only need to be trained once."

The minister then said that "although each force has its own characteristics and the Navy's experiences cannot be extrapolated, we will probably implement the program within the Air Force in 1988 should the results be satisfactory."

Jaunarena discussed further the planned sale of shares which Military Industries owns in the Bahia Blanca petrochemical plant, Atanor, Carboquimica, the Rio Tercero petrochemical plant, Polisur, Petropol, Monomeros Vinilicos, and Induclor. He noted that "the respective decrees are ready to be signed by the president of the nation, and we will be able to put them on sale in early 1987 by calling for public bids."

Jaunarena said that "with the funds obtained from these sales we will try to recover for Military Industries the spirit that moved General Savio [regarded as the father of Argentine heavy industry] and use them for the development of new industrial undertakings which are not attractive to the private sector, especially in the south of the country."

Regarding the relocation of military bases, the minister asserted that "our idea is to create new military units in order to dismantle the bases in Moreno, El Palomar, and Moron. This would also allow us a more rational use of equipment and material and will allow the clearing of some 1,700 hectares of land to be used by the community." The minister said that his ministry's commission in charge of government-owned land "is drawing up a system that will not affect the operation plans of each force, but that at the same time will take the community's needs into account."

Referring to the commonly known "full stop" law, Jaunarena stated his belief that the amendments to it by Congress "did not alter its spirit." He concluded by stating: "Therefore, we are going to be able to end the trials soon and thus rid the Armed Forces of the damaging state of collective suspicion."

BRODERSOHN DENIES REPORTED ECONOMIC MEASURES

PY292238 Buenos Aires BUENOS AIRES HERALD in English 28 Dec 86 p 15

[Text] (NA) -- Treasury Secretary Mario Brodersohn yesterday denied a newspaper report which indicated that the Economy Ministry was working on a new package of economic measures for the coming year that would be announced by Economy Minister Juan Sourrouille in a nationwide address next Tuesday. In yesterday's edition, the mass circulation daily CLARIN reported that Brodersohn had lunched the day before with Economic Coordination Secretary Adolfo Canitrot and Industry and Foreign Trade Secretary Roberto Lavagna to analyze a package of new measures. The newspaper said that the measures would be implemented for the first quarter of 1987 and that Sourrouille would announce them in a Tuesday speech, aimed at easing pressure on financial markets that has brought unexpected rises in the parallel dollar and interest rates.

Brodersohn denied this categorically, saying that "it is not true that a new economic policy scheme is being prepared as CLARIN says."

"Besides," he added, "I didn't have lunch with either Canitrot or Lavagna, and I'm just working on finishing the 1987 budget so as to send it to the national Congress in the early days of January."

CLARIN's story of yesterday indicated that the alleged package of measures would include lower ceilings for price increases and wage guidelines that would lead to negotiations between business and labour by sector. The article also spoke of a guideline of nine percent for wage hikes in the first quarter of the year.

CLARIN claimed that public services rates would be put up by five percentage points in January, that the current foreign exchange policy would be reconfirmed, with adjustments being made according to rising price levels. The policy for interest rates, however, was not yet defined, CLARIN indicated in the report denied by the treasury secretary.

POLICE REPORT ON 1986 ANTI DRUG CAMPAIGN

PY031357 La Paz La Red Panamericana in Spanish 1130 GMT 3 Jan 87

[Text] In 1986 specialized antidrug units of the Bolivian Police seized 6 tons of cocaine base and detained 900 people suspected of drug trafficking, according to a police report.

The annual report of the Mobile Unit for Patrolling Rural Areas [Umopar], a branch of the Bolivian Police, points our these figures confirm the effectiveness of the specialized Bolivian antidrug trafficking organizations. According to the report, 400 of the 900 people detained in 1986 were handed over to the courts, where they will be tried for crimes of manufacturing and marketing cocaine. The owners of 31.9 kg of cocaine base have been identified, although not all of them have been detained. The identities of the owners of the remaining seized cocaine base are unknown, according to the report.

The report also says the Umopar succeeded in controlling the production of coca leaves in various zones of Chapare, Cochabamba Department. As a result of this, the price of coca leaves has fallen in the Chapare area, which is the region where the Umopar has its headquarters.

The police report says the 1986 antidrug struggle was divided into two stages. The first stage, in which U.S. troops participated, lasted 3 months. The second stage involved Bolivian personnel who acted with responsibility and succeeded in seizing 6 tons of cocaine base and detaining 900 people.

MEDICAL ASSOCIATION TO CONTINUE STRIKE

PY031703 La Paz La Red Panamericana in Spanish 1130 GMT 3 Jan 87

[Text] The Bolivian Medical Association will continue its general, indefinite strike, and limit treatment to emergencies. After a meeting of the executive board of the association, Dr Humberto Molina told Radio Panamericana that the reply of the government did not satisfy the expectations of the doctors. Biochemists, pharmacists, dentists, and nurses have joined the strike, according to agreements among the branches of the medical professions.

The situation at the health centers run by the Social Welfare and Public Health Ministry and the National Social Security Fund has become critical for sick people because of the strike.

Let us listen to Dr Humberto Molina's justification of the Medical Association decision:

[Begin recording] I wish to say that the Bolivian Medical Association and its professionals are on a general, indefinite strike throughout the country. This means that patients will be treated only in extreme emergencies. We have studied the government reply and we believe that it is incomplete, unsatisfactory, and somewhat confusing. Therefore, we have called a national meeting for 6 and 7 January in La Paz, where we will make a final study of the government reply, so the institutions and associations involved in the problem can take their definitive stand. [end recording]

The strike of the Bolivian Medical Association and the other branches of the health services will this continue until the national meeting on 6 January makes its final decision on the problem. In the meantime, the limitation of treatment to emergency cases is endangering public health.

SARNEY RULES OUT CR3,000 AS MINIMUM WAGE

PY021550 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 2 Jan 87

[Excerpt] President Jose Sarney has expressed confidence in 1987, and added that for the social pact to be successful, good sense must prevail in the negotiations. The president had discounted the possibility of increasing the minimum salary to 3,000 cruzados.

Good sense is what President Jose Sarney has prescribed for the success of the social pact so that it can achieve the objectives set by the government for the business and labor sectors. According to President Sarney, one party cannot ask in negotiations for things the other party will not be able to grant.

Regarding the proposal for the establishment of a 3,000-cruzado minimum monthly salary, President Sarney stated:

[Begin recording] [Sarney] I think we must discuss all problems, as I have said, with no limiting agenda, but with an open mind. This openness implies responsibility, and this responsibility implies that we must know what we can and cannot do. The first thing that each party must honestly do at the negotiating table is realize that it cannot ask the other party for what cannot be granted.

[Reporter] (?Can you be more specific?)

[Sarney] On what?

[Reporter] On the 3,000-cruzado minimum salary.

[Sarney] I think the government cannot grant this. I think the present situation does not allow us to grant large increases, as everyone would like. We are not in a position to fulfill this desire because doing so would have an impact on the economy and could begin a new inflationary spiral that no one could stop. I think we must use good sense and responsibility. I think this is the significance of the understanding that is being sought through the social pact. [end recording]

In his first interview of the year granted to reporters accredited to Government House, the president has expressed great confidence in the new year. He feels that Brazil will begin 1987 on the right foot.

[Begin Sarney recording] I think we are going to start this year on the right foot. Brazil is going to get off to a good start. This is a country that has no reason to fear the future. It is a country with great potential, with great human resources, a country with a great people, and we are now going through one of the best stages in our history. We have a full economy, good employment, and great economic growth, and a very high employment rate. As I said, the country is experiencing good economic times, and there is no reason for fear. The problems we have had can be solved, because there is nothing ahead of us that appears to be extremely difficult or incapable of being solved. [end recording] [passage omitted]

GOVERNMENT LIFTS CURFEW AFTER 13 YEARS

PY021535 Paris AFP in Spanish 1508 GMT 2 Jan 87

[Text] Santiago, 2 Jan (AFP) -- President Augusto Pinochet's Chilean Government today lifted the curfew in Santiago after it had been in effect almost continuously for 13 years. The chief of the metropolitan military zone ordered the lifting of the curfew, which restricted the 4 million inhabitants of Santiago, 2 days after General Pinochet announced the end of the state of siege which was levied throughout the country in September 1986.

Political Meetings Restricted

PY021740 Santiago Domestic Service in Spanish 1600 GMT 2 Jan 87

[Text] The government has suspended the curfew in the Metropolitan Region and in the San Antonio Province according to Edict 48 which was signed by General Jorge Zincke Quiroz, chief of the state of emergency zone.

Part of the resolution says: As of today all curfew regulations in these areas have been suspended. The right to meet will continue to be regulated by Edict 43 of 4 April 1986. Edict 43 prohibits political meetings therefore people who wish to hold meetings in public places must request permission from the chief of the emergency zone 10 days before the date of the proposed meeting.

GOVERNMENT APPROVES RETURN OF 227 EXILES

PY030233 Santiago Radio Chilena in Spanish 2200 GMT 2 Jan 87

[By Eliana Enriquez]

[Text] The government today authorized the return of 227 exiles. The announcement was made by Interior Minister Ricardo Garcia during a meeting he held this afternoon with the Human Rights Commission. This commission advises the minister and is headed by Ricardo Martan. The interior minister explained that most of the exiles affected by this measure were included on the list submitted for study to the Human Rights Commission. He indicated that the others are cases which have been previously examined and whose situations complied with the guidelines and recommendations established by the Human Rights Commission.

Among the exiles who are now allowed to return are the journalists Leonardo Caceres Castro, Walter Riod Villalon, Jose David Cavieres, and Jose Enrique (Cayuela); the former railroad director Naon Jose Castro; and Pablo Ariel and Raul Amiel Baitelman Zuvelman, sons of the former vice president of CORA [Agrarian Reform Corporation], David Baitelman.

It must be noted that during the meeting between the interior minister and the Human Rights Commission, the manner in which the commission will periodically review individual cases was analyzed. According to the minister, the commission will immediately begin an intensive 3-month review of the exile cases to establish which exiles should not be allowed to return.

Vicariate Lawyer on Release

PY032209 Santiago Radio Chilena in Spanish 1600 GMT 2 Jan 86

[Text] Lawyer Humberto Lagos, who is in charge of the Vicariate of Solidarity's Legal Department for Exiles, said he hopes President Pinochet's announcement will really solve the problem of exiles.

Lagos said that the government currently has two lists of people forbidden to return, and this fact might prevent several Chileans from returning to their country.

[Begin Lagos recording] Regarding exiles, we must say that currently, there are two lists: one contains the names of 3,503 people who are forbidden to return, and General Pinochet's announcement that the number of exiles will be reduced refers to that list; about another one, no comments have been made. This second list is called the list of undesirable foreigners. Chilean exiles who have become citizens of the countries that have given them shelter are also included on this list. We have no details about this list, but based on data I have, I believe it contains the names of hundreds of Chileans. General Pinochet's announcement says nothing about what will happen to them. [end recording]

Lagos said that the naming of Chilean exiles on a list of undesirable foreigners violates the 1980 Constitution, because it prevents those Chilean exiles who have had to adopt another nationality from recovering their Chilean nationality.

[Begin Lagos recording] It must be taken into consideration that, by placing Chilean exiles on this list of undesirable foreigners, the regime violates its own Constitution. Article 11 of the 1980 Constitution establishes that one loses Chilean nationality if one adopts another nationality, and this is logical. However, the article also establishes that any individual who by force majeuve, such as exile, has had to adopt another nationality is automatically eliminated from the list of people allowed to return and included in the list of undesirable foreigners. We do not even know the exact date of this list. [end recording]

Lagos also commented on Pinochet's announcement that the Chileans who are allowed to return will be under surveillance. The lawyer said that this measure violates constitutional regulations, because it means that, in practice, certain Chileans will be categorized, and this is something that is hateful and degrades the president in the eyes of his fellow countrymen.

GENERAL GORDON REPLACES CANESSA IN JUNTA

PY311723 Santiago Domestic Service in Spanish 1600 GMT 31 Dec 86

[Excerpt] Lieutenant General Humberto Gordon Rubio was sworn in this morning as the new member of the Government Junta replacing Lieutenant General Julio Canessa Robert. The ceremony was held in room seven of the Diego Portales building in the presence of the other members of the Junta and advisors of the legislative branch. [passage omitted]

UK'S HOWE VISITS, COMMENTS ON DRUGS, ARGENTINA

Remarks on Arrival

PA030244 Madrid EFE in Spanish 0006 GMT 3 Jan 87

[Excerpt] Bogota, 2 Jan (EFE) -- Today in Bogota, Sir Geoffrey Howe, British secretary of state for foreign and Commonweath affairs, said that the major topics that will be discussed during his 24-hour visit to Colombia will be the international fight against drug trafficking, Central America, and bilateral relations.

After being welcomed in Bogota by his Colombian counterpart, Julio Londono, Howe said that cooperation between Colombia and the United Kingdom in the fight against narcotics "is a growing reality."

He added that during his meetings with Londono, and with Colombian President Virgilio Barco tomorrow, he hopes to discuss trade relations between the two countries, and peace initiatives in Central America, "where Colombia plays a special role as member of the Contadora Group." He did not mention his country's conflict with Argentina over the Malvinas Islands among the "political topics" to be discussed during his visit.

During the 1982 war in the South Atlantic, Julio Cesar Turbay Ayala, then president of Colombia, adopted a stance close to the British stance. This changed a few weeks ago, when President Barco joined Latin America in condemning the declaration of the "exclusive economic zone" around the islands. [passage omitted]

Remarks After Barco Talks

PA040408 Buenos Aires REUTER in Spanish 0106 GMT 4 Jan 87

[Excerpts] Cartagena, Colombia, Jan 3, (REUTER) -- British Foreign Minister Sir Geoffrey Howe today affirmed that Colombia deserves international aid in its struggle against drug trafficking and that Great Britain is willing to increase its cooperation in that area. Howe, the first UK foreign minister ever to visit Colombia, had a 90-minute meeting with President Virgilio Barco where, according to British officials, a discussion was held on how to fight terrorism and drugs.

During a brief news conference at the airport, before leaving for Mexico, Howe stated that Colombian society "is doubly threatened by terrorism and drugs," and he emphasized his government's willingness to work in close cooperation with Bogota within the framework of the international campaign against drug trafficking. "We stand ready to send equipment and to supply advice and training whenever it is necessary," he added.

He expressed concern over the possibility that the increasing success of the United States against drug dealers might increase the pressure of drugs on Great Britain and the rest of the European countries. [passage omitted]

According to British officials, Barco gave Howe a detailed account of the government's campaign against drug trafficking. Howe termed the campaign "courageous and firm." [passage omitted]

Statement on Argentina

PA040149 Bogota Inravision Cadena 1 in Spanish 0125 GMT 4 Jan 87

[Text] The UK is willing to normalize its relations with Argentina tomorrow, according to Sir Geoffrey Howe, UK secretary of state for foreign and Commonwealth affairs, who visited Cartagena. He issued this statement to the news media following a 90-minute meeting with President Virgilio Barco Vargas. He made it quite clear that this process would not initially include talks concerning the Malvinas Islands' sovereignty.

Departure for Mexico

PA032311 Paris AFP in Spanish 2253 GMT 3 Jan 87

[Excerpt] Cartagena, Colombia, 3 Jan (AFP) -- Sir Geoffrey Howe, British secretary for foreign and Commonwealth affairs, left for Mexico at 2230 GMT.

RESULTS OF ANTIDRUG OPERATIONS SUMMARIZED

PA040305 Bogota Inravision Cadena 1 in Spanish 0100 GMT 4 Jan 87

[Text] Members of the state's security corps have not been able to enjoy these holidays. In addition to the approval of the antidrug law, the struggle against drug trafficking grew until it resembled the 1984 offensive which was unleashed after Minister Rodrigo Lara Bonilla's murder.

"Promec" newscast obtained photographic material from military sources concerning the raids and actions which summarize 15 days of operations. The open war declared by the government against drug trafficking continues with raids and operations by police and military authorities in several regions of the country. Special instructions were issued by the authorities following Guillermo Cano's murder, and the following partial figures have been released:

The authorities have carried out 978 raids; arrested 628 people; and confiscated 21 vehicles, 1,081 kg of marijuana, 300 kg of cocaine, 21 kg of bazuco, and 37 tons of sodium carbonate. The authorities have also recovered more than 30 vehicles, Armed Forces uniforms, and radio communication equipment; seized 9 airplanes; destroyed 4 large laboratories used to process drugs; and confiscated 500 weapons, 150 grenades, bombs, and ammunition.

'MAFIA BOSS' PORRAS ARDILA, 3 OTHERS ARRESTED

PA042027 Bogota Cadena Radial Super in Spanish 1730 GMT 4 Jan 87

[Text] Evaristo Porras Ardila, one of the most sought-after mafia bosses of the country, was captured last night as a result of a complex operation carried out by a special forces group on San Andres Island. A brother of the drug-traffickers, Alvaro Porras Ardila, Buenaventura Perdomo Parra, and Luis Carlos Ramirez were arrested together with Evaristo Porras. The four will appear at a criminal court tomorrow and later they will be transferred to Cartagena under all sorts of security measures.

BOAT SINKS IN AMAZON, 20-30 REPORTEDLY DROWN

PY021351 Paris AFP in Spanish 1333 GMT 2 Jan 87

[Text] Lima, 2 Jan (AFP) -- According to first reports released today by Peruvian officials, 20 to 30 people drowned and many others are missing after a boat loaded with passengers sank yesterday in the Amazon River about 400 km south of Iquitos.

Iquitos port officials reported that the accident, which is the worst in the history of this area, occurred near the port of Chimbote as the overloaded Vigen of Fatima was carrying 125 passengers and cargo from Colombia and Brazil to Caballococha and San Antonio de Iquitos.

ALVA CASTRO DEPARTS FOR 2-DAY BRAZILIAN VISIT

PY292221 Madrid EFE in Spanish 2149 GMT 29 Dec 86

[Text] Lima, 29 Dec (EFE) -- Luis Alva Castro, Peruvian prime minister and economy minister, today traveled to Brazil for a 2-day visit during which he will meet with Dilson Funaro, Brazilian finance minister.

Alva boarded his plane without speaking with the press, but an Economy Ministry spokesman has stated that the two ministers will discuss and evaluate Peru's Economic Emergency Plan and Brazil's Cruzado Plan.

NAVY NOTES DETAINMENT OF ECUADORAN SHIPS

PY301325 Paris AFP in Spanish 1301 GMT 30 Dec 86

[Text] Lima, 30 Dec (AFP) -- The Peruvian Navy Ministry today released an official communique in Lima reporting that five fishing vessels, flying Ecuadoran flags, have been arrested while fishing in Peruvian waters. The communique added that the fishing vessels are currently in the Zorritos Port, 1,290 km north of Lima, for investigation after being captured on 28 December.

The communique also indicated that the operation was conducted by the Rio Locumba Coast Guard after it was verified that the Ecuadoran ships were fishing in the waters of the Tumbes Department without a permit.

The captured vessels are: Silvia, Neptuno, Celepa, Jorge Alberto, and Esmeralda.

Naval sources this morning indicated that the fish on board the vessels have been confiscated and that the vessels will be released after their owners pay the established fees.

GORBACHEV ACCEPTS INVITATION TO VISIT THIS YEAR

PY310156 Montevideo Radio Carve in Spanish 0000 GMT 31 Dec 86

[Text] Soviet Ambassador to Uruguay Yuriy Lebedev today reported to President Sanguinetti that Mikhail Gorbachev, first secretary of the USSR Politburo and chairman of the Soviet Supreme Presidium, has accepted an invitation from the Uruguayan Government to visit our country.

An official communique released by the presidency after the Uruguayan president received the Soviet ambassador at the Libertad Building states that Ambassador Lebedev included this information and also said the Soviet Government will be pleased to receive Uruguayan President Julio Maria Sanguinetti.

Radio Carve has learned from other sources that President Sanguinetti will visit Moscow in June or July, and Gorbachev will visit Uruguay in 1987.

This will be the first time in many decades that a representative of the USSR Supreme Soviet Presidium has visited Montevideo.

FOREIGN MINISTER IGLESIAS TO VISIT CUBA IN MARCH

PY031704 Montevideo El Espectador Network in Spanish 1600 GMT 3 Jan 87

[Text] Uruguayan Foreign Minister Enrique Iglesias will visit Cuba 4-8 March.

Minister Iglesias will be accompanied by a delegation of congressmen, the members of which have not been announced; by the director of foreign trade affairs; and by private businessmen.

The purpose of this visit is to strengthen Uruguayan-Cuban ties.

PCU SAYS OLAZABAL TO REPLACE ARAUJO IN SENATE

PY261257 Madrid EFE in Spanish 2003 GMT 25 Dec 86

[Text] Montevideo, 25 Dec (EFE) -- The Uruguayan Communist Party [PCU] today reported that Walter Olazabal, a Communist leader, will replace Jose German Araujo in the Senate. Araujo was expelled by his peers in the Senate.

Olazabal, a public accountant by profession, represented the PCU at the political negotiating table of the left-wing Broad Front coalition during the military regime (1973-1985).

Araujo was expelled last Tuesday from the Senate after his peers accused him of instigating the disturbances which occurred in the early morning hours of 21 December in front of the legislative palace while the Chamber of Deputies discussed the "full stop" law on the trials of the military men involved in crimes of repression.

USSR ENVOY QUERIED ON RELATIONS, REGION

PA041528 Mexico City THE NEWS in English 2 Jan 87 pp 1, 6

[By Anne d'Adesky, staff reporter]

[Text] Mexican-Soviet relations have often been difficult, but today they are stable and even burgeoning, Soviet Ambassador to Mexico Rostislav A. Sergeyev told THE NEWS this week.

A possible visit by Soviet leader Mikhail Gorbachev to Mexico in 1987 and a Soviet entry into the Mexican maquiladora (in-bond) industry are major items on the current Mexican-Soviet diplomatic agenda.

Diplomatic relations between the Soviet Union and Mexico began in 1924 but were broken by Mexico in 1930. Resumed in 1942, the relationship today is characterized by strong cultural relations but weak economic ties.

THE NEWS: Can you describe your current diplomatic activities?

RS: This year (1986) we had the visit of the Soviet Secretary of Foreign Relations Eduard Shevardnadze to Mexico. During this visit, we developed our contacts and collaboration in the interests of peace and international security.

Both sides have discussed an exchange of official top-level visits by Secretary General Mikhail Gorbachev to Mexico, and President Miguel de la Madrid to the Soviet Union.

Foreign Relations Secretary Bernardo Sepulveda will visit the Soviet Union this year to discuss this exchange of visits. Two Mexican presidents have visited the Soviet Union (Luis Echeverria in 1973, Jose Lopez Portillo in 1978), so it is probably our turn to visit Mexico.

THE NEWS: What was the specific result of Shevardnadze's visit?

RS: We decided to study the possibility of a large-scale economic trade program. The bilateral economic and commercial level of trade is a weak point in the relations between Mexico and the Soviet Union.

We know that we must enter into closer economic cooperation with Mexico and establish economic and industrial goals here. Our new policy also calls for the Mexican side to establish economic projects in the Soviet Union.

THE NEWS: What economic areas are you referring to?

RS: We have the possibility of establishing technological projects in the area of steel production. We also have exchanged opinions on the situation of petroleum and on proposals to increase our economic ties in the areas of chemical production.

THE NEWS: What specific technology might this be?

RS: Various kinds of modern machines that Mexico doesn't have, for example, machines for industrial and textile plants, and certain kinds o modern hand-operated turbines.

THE NEWS: Would these machines be used in the (in-bond) maquiladora industry?

RS: Among others, yes. We are concretely studying the possbility of the Soviet Union entering into the maquiladora market. But it is necessary to know the type of maquiladora industry that might interest Mexicans.

In this case, we think it will interest the private sector of Mexico, which, as you know, owns the majority of these maquiladora plants.

THE NEWS: Returning to the political sphere, can you comment on rumors last year that the Soviet Union was trying to establish consulates on the Mexican border with the United States?

RS: This is a complete invention by some circles inside the United States. Neither side (Mexico or the USSR) proposed to establish such consulates in the north of the country. Why? Because there are no Soviet citizens who are in that part of the country.

Surely the intent by these circles is clear: to try to do everything to prevent the normal development of relations between Mexico and the Soviet Union.

THE NEWS: What is the official Soviet view of the current political crisis in Central America?

RS: We have expressed our concern about the situation in Central America. On November 17 (in the United Nations), the Soviet Union voiced its support for the constructive efforts of the Contadora Group in seeking a peaceful solution to the crisis in Central America.

We think the efforts of the Contadora Group are the expression of a new way of thinking -- a new poltiical thinking.

THE NEWS: What characterizes this new thinking?

RS: When I think of new efforts, I mean a new philosophy of thinking. Compared with the past, today we live in the era nuclear arms. It is not possible to think of war as a solution to conflict. So we must take steps in the direction that will lead away from war - especially a world war. This is what I mean by the new way of thinking of the Contadora Group.

THE NEWS: Who is responsible for the recent military crisis on the Nicaraguan-Honduran border?

RS: The United States because it is the only source for (rebel insurgent) contra aid and, unfortunately, the other states are dependent on the United States for aid.

THE NEWS: You mean Honduras and Costa Rica?

RS: Honduras, Israel, and the others who indirectly send arms into the hands of the Contras.

THE NEWS: Why do you think Honduras and Costa Rica agreed to have contra forces inside their territory?

RS: There are several reasons, but one historic reason is that the Central American countries have always received various kinds of aid from the United States, which has considered the region as its backyard. This has always influenced the Central American situation.

THE NEWS: Does the Soviet Union oppose the contras?

RS: Naturally. We would also note that the contras couldn't act without receiving support from the United States. We say that this U.S. aid to the contras is a policy of terror at the state level...and we condemn it.

THE NEWS: What is the Soviet position toward the Sandinista government?

RS: The United States has imposed an almost complete economic blockade of goods to Nicaragua. So we give them aid. But we don't think that it will be necessary to continue this aid if Nicaragua can reestablish all of its relations with other countries - including the United States.

THE NEWS: What kind of aid are you giving the Sandinistas?

RS: Whatever type of material aid they need. We have experts who can set up industrial plants and we help with petroleum.

THE NEWS: Has the strong influence of the United States in Central America forced the Soviet Embassy in Mexico to keep a low profile?

RS: Yes.

THE NEWS: Has this low profile changed as a result of the Iran-contra arms scandal?

RS: I can officially say that we haven't changed our position with regard to the crisis that has taken place recently in the United States. And I want to add here that we agree with thesis of President Miguel de la Madrid who said recently during his trip to the Far East that "it is not with arms that one achieves peace."

THE NEWS: What are the upcoming goals for the Soviet Embassy in Mexico?

RS: Next year is the 70th anniversary of the October Revolution, and we think Mexico will send representatives to see what has happened in the Soviet Union in the last 70 years. We will also invite Mexican journalists to come to Moscow for our birthday.

THE NEWS: Is there any message you want to give Mexicans?

RS: The most important thing is to learn the necessity of establishing a new manner of thinking that coincides with the dangerous nuclear era we are living in.

THE NEWS: Any last words?

RS: Only to keep in mind that when we talk about the United States, we are talking about the U.S. Government, not its people.

IRAN SEEKS INCREASED TRADE, BETTER RELATIONS

FL022206 Mexico City NOTIMEX in Spanish 2309 GMT 2 Jan 87

[Text] Mexico City, 2 Jan (NOTIMEX) -- The Islamic Republic of Iran will soon increase its commerce with Mexico to improve the trade balance, which currently favors Mexico by more than $2 billion.

This was disclosed by Iranian Embassy sources here who declared that major Iranian exports will be promoted in Mexico.

They pointed out that a group of Iranian businessmen will visit in 1987 to promote their products on the Mexican market. Among these products are dried fruit, pistachio nuts, rugs, and carpets.

The diplomatic sources indicated that Mexico's designation of a non-resident ambassador in Tehran would make it possible to finalize many commercial exchange products.

They also explained that in addition to this increase in trade, there are plans to better prospects for bilateral relations, especially in the cultural and educational fields, by reviving agreements between the two governments that for one reason or another have been neglected.

BRIEFS

SUPREME COURT PRESIDENT REELECTED -- Minister Carlos del Rio Rodriquez, president of the Supreme Court of Justice of the nation, was unanimously reelected yesterday to the post. [Excerpt] [Mexico City EL NACIONAL in Spanish 3 Jan 87 p 1 PA]

DRUG TRAFFICKERS DOWN HELICOPTER -- Drug traffickers shot down a Bell-206 helicopter belonging to the Attorney General's Office. Fortunately, there were no personal injuries. The helicopter is valued at 400 million pesos. The attack took place at 1300 on 30 December as the craft overflew El Labrador Hill, in Eujutla de Crespo municipality, 25 km from Oaxaca. The crew parachuted to safety. Official souces said it will take 8 days to get the helicopter back into service. [Excerpts] [Mexico City EL NACIONAL in Spanish 2 Jan 87 p 11 PA]

REPORT DETAILS 1986 ANTINARCOTICS ACTIONS

PA312011 Panama City CRITICA in Spanish 31 Dec 86 p 1-8

["Struggle Against Drugs" supplement]

[Excerpts] This reports details all the activity carried out by the Special Anti-Drug Trafficking Force [Fuerza Especial Antinarcotrafico -- FEAN] from January to November 1986. The result of the word described here also reflects the interest of the Defense Forces High Command in keeping our territory free from the scourge of drugs affecting mankind.

In its constant struggle against drugs, the FEAN in 1986 seized 407,817 grams of cocaine that one way or another had been brought into the country from South America either for transit through Panama or with Panama as the final destination. [passage omitted]

Because of the increase in coastal patrols and the vigilance of our border posts, the confiscation of marijuana decreased significantly. Narcotics agents seized 125,225 grams of this drug.

The Defense Forces, through the FEAN, carried out three operations to locate and destroy marijuana plantations on Panamanian territory, completely eliminating the existence of plantations of this drug in the country.

Through operations involving air dusting and manual destruction, burning, and dusting, approximately 241 hectares were destroyed, mainly in the Panama Bay area. [passage omitted]

A smaller percentage of other drugs was also seized this year. These seizures included 11,209 grams of bazuco (residual cocaine), 157 vials of morphine, and 342 grams of liquid hashish. Accompanied by the proper authorities, FEAN raided and severely penalized some pharmacies for selling and maintaining synthetic drugs (barbiturates, hallucinogens, etc). [passage omitted]

The FEAN maintains good relations and coordinates closely with international police organizations as well as with policy organizations of other countries, particularly in the United States. This permits the flow of intelligence related to the fight against drug trafficking. In joint actions in 1986 by the FEAN and the U.S. Coast Guard, the latter boarded six Panamanian registered vessels that were transporting to the United States approximately 450,000 pounds of marijuana coming from South American countries.

Panamanian narcotics agents also actively participated in the "Sombrero III" joint operation that for the interdiction of drugs on ships in the Caribbean, headed either to our ports or to any other international port. [passage omitted]

The controls implemented with new and professional methods at the Omar Torrijos Herrera International Airport permitted the confiscation of 87,501 grams of cocaine, following thorough searches of 13 Eastern airline flights coming from Colombia on various dates. The cocaine had been carefully packed in each flight and was usually hidden in the airplanes' bathrooms. [passage omitted]

EL SALVADOR

D'AUBUISSON CRITICIZES ALLEGED DUARTE 'VACATION'

PA031856 Panama City ACAN in Spanish 1821 GMT 3 Jan 87

[Excerpts] San Salvador, 3 Jan (ACAN-EFE) -- Two right-wing political leaders affirmed today that President Jose Napoleon Duarte is in Miami on vacation even though this trip has not been officially reported or denied.

Deputies Roberto d'Aubuisson and Armando Calderon Sol, who are also leaders of the second political force, the right-wing Nationalist Republican Alliance (ARENA), assured today that the Salvadoran president "without any announcement is on vacation in Miami."

D'Aubuisson's and Calderon Sol's remarks -- which have been published by local newspapers -- are accompanied by strong criticism of the president. Nevertheless, they admitted that the president has the authorization of the Legislative Assembly to be absent from the country without prior notification for a one year period.

Calderon Sol, who said that he has sources close to the Presidency, termed the vacation trip of the President and his family "regrettable" and noted "the need to save exchange due to the country's critical situation." [passage omitted]

Official Presidency sources consulted today about Duarte's vacation in Miami neither affirmed nor denied the trip, and only said: "We are not authorized to give this kind of information."

CLASH LEAVES 17 GUERRILLAS, 1 SOLDIER DEAD

PA032007 Buenos Aires REUTER in Spanish 1826 GMT 3 Jan 87

[Text] San Salvador, 3 Jan (REUTER) -- Today a high military chief in Morazan reported that a total of 17 guerrillas and 1 soldier were killed and 4 soldiers wounded during armed clashes early this morning in the northern part of the eastern Morazan Department.

Colonel Mauricio Ernesto Vargas, commander of Armed Forces in Morazan, one of the most conflict-ridden areas in El Salvador, said that the clashes took place in La Soledad and El Paso de los Encuentros, some 180 kms northeast of San Salvador.

Col Vargas added that a guerrilla column was discovered crossing the Torola River -- which serves as a border between the territories controlled by the Army and the guerrillas -- and the armed clashes began, resulting in 18 people killed and 4 wounded between the two forces.

The Lempa River Hydroelectric Executive Commission (CEL) confirmed that the FMLN rebels have destroyed 20 power pylons of the primary lines and 20 of the secondary, affecting an extensive zone of the country's eastern region which has been left without electricity.

The guerrilla sabotages have taken place near Mercedes Umana, 125 kms east of San Salvador in Usulutan Department, since 31 December and have left at least 45 towns without electricity.

GUATEMALA

PRESIDENT CEREZO LEAVES FOR 'REST TRIP' IN U.S.

PA041842 Panama City ACAN in Spanish 1455 GMT 4 Jan 87

[Excerpts] Guatemala City, 4 Jan (ACAN-EFE) -- It has been officially reported that Guatemalan President Vinicio Cerezo departed for the United States this morning on a "rest trip."

Presidency spokesman Julio Santos said that "President Cerezo and his family will arrive in Miami on a private trip that could also include other U.S. cities." [passage omitted]

The permit granted Cerezo by the Legislative Assembly Interior Commission [Comision de Regimen Interior del Congreso Legislativo] does not specify the amount of time Cerezo will be out of the country.

PARTY OFFICIALS OPPOSE RELATIONS WITH UK

PA022150 Panama City ACAN in Spanish 1931 GMT 2 Jan 87

[Text] Guatemala City, 2 Jan (ACAN-EFE) -- The Democratic Socialist Party [PSD] today opposed reestablishment of diplomatic relations between the United Kingdom and Guatemala and demanded that British troops leave Belize. British-Guatemalan diplomatic relations, which had been broken for 23 years, were officially reestablished on 29 December, although embassies have not yet been opened and ambassadors have not yet been accepted.

Luis Zurita, PSD assistant secretary general and former presidential candiate, opposed diplomatic relations between Guatemala and London. He said: "We must have consular and commercial, but never diplomatic, relations with the United Kingdom." He added: Because the government of President Vinicio Cerezo has made this decision, "we must demand that the British military contingent leave Belize."

The British crown, which unilaterally granted independence to Belize on 21 September 1981 after more than 150 years of British rule, keeps 1,300 soldiers and war materiel in this territory claimed by Guatemala.

Zurita said: "The Christian Democratic government must negotiate a passage to the sea through Belize. This passage would permit the development of trade and the fishing industry."

The Socialist leader said that this 22,000-sq-km territory northeast of the country represents for Guatemala "not only the loss of the area but a diplomatic defeat of the government system during 3 decades."

For the anticommunists, however, "the case of Belize has only served to feed and enrich a number of Foreign Ministry officials."

Leonel Sisniega Otero, leader of the Anticommunist Unification Party, PUA, said: "Guatemala should have no diplomatic relations with those who have outraged us." He asserted: An isolation policy "is more consistent with the desires of the people." Sisniega Otero also said: "We must have a passage out to the Atlantic Ocean. Otherwise, Guatemala will be isolated when the Caribbean countries assert their right for the 200 miles of territorial sea."

He underlined: "Negotiations with the United Kingdom over the territory of Belize should not be kept secret, but our claims should be presented at international forums for us to seek feasible solutions."

The leader of the Guatemalan anticommunists also said that the matter of Belize and the negotiations "has helped many officials to be fed and get benefits, such as tourist travels."

U.S. SUGAR QUOTA CUTS TO COST $14 MILLION

PA171423 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 17 Dec 86

[Summary] The Guatemalan Sugar Producers Association today reported that as a result of the U.S. Congress' decision to drastically reduce the import of Guatemalan sugar, the country will lose at least $14 million in 1986-87. In 1985-86, Guatemala's sugar export quota was 82,388 metric tons, worth $29 million to $30 million. The assigned quota for 1986-87, is only 43,680 metric tons.

HONDURAS

PARTIES VIEW NATIONAL UNITY PACT TERMINATION

Callejas Announces Break

PA312257 Tegucigalpa EL HERALDO in Spanish 31 Dec 86 p 3

[Text] Rafael Leonardo Callejas, president of the National Party's Central Committee, yesterday revealed that the commitments of the famous National Unity Pact [PUN] signed early this year between the Azcona-Alipo [Peoples Liberal Alliance] alliance and the "Callejismo" [Callejas' followers] are no longer binding. That agreement, which many politicians called the PUN, ended, according to the top Nationalist leaders, with the support they gave to the Azcona-Alipo's election of the director of the Administrative Probity Office and the Republic's comptroller general.

That alliance was established early this year. According to the signatories, it aimed to preserve the country's democratic system and not to distribute posts within the public administration.

In the agreement reached between the "Callejistas" and the winning movement of President Azcona Hoyo, the former managed to obtain control of the Supreme Court of Justice and four seats in the National Congress' Directorate.

However, the agreement, which was signed by the main leaders of both factions, also specified that certain institutions and ministries would be under the National Party.

As a result, "Callejismo" currently holds the Autonomous Municipal Bank, Industrial Development Center, and the National Electoral Tribunal.

The president placed the Ministries of Foreign Relations and Labor under nationalist professionals who claim that they are not representing that party, but acting on their own.

Rafael Leonardo Callejas, who announced the alliance break, said that the National Party will now wage a more critical opposition against the government. This does not mean that the positive [as published] will receive the support of the 63 deputies.

What has ended, he explained, is the commitment we negotiated early this year, but we will always be united to defend our democratic system, as the people should also be.

The top Nationalist leader said that he will reveal and read the text of the agreement that had been reached with the Azcona-Alipo alliance during the party's convention in February.

Manuel Guerrero, National Party and labor leader, told EL HERALDO that they, the deputies will be on the opposition and announced that they will meet in the few days to determine what the new strategies will be.

The deputy said that he never agreed with that alliance; now that the commitments are over, the party will acquire a more billegerent image, which is what the National Party's rank and file have been advocating for the past few months.

Jorge Carranza said that the commitments agreed upon with leaders of the Azcona-Alipo alliance were in force until later this year and ended with the election of the comptroller general and the director of the Administrative Probity Office. Commenting on that agreement, which was not a gentlemen's pact, "Carranza said that they (the "Callejistas") did not seek a pact with the Liberals, but quite the contrary; all other movements were contacting us for that."

As a result of the end of the agreement, the "Callejistas" said that they are not afraid that the Liberals could unite and strip them from posts obtained as part of the negotiation.

Montoya on Break

PA312322 Tegucigalpa EL HERALDO in Spanish 31 Dec 86 p 3

[Text] Yesterday, National Congress President Carlos Montoya Orbin said that National Party leader Rafael Leonardo Callejas Romero will clearly be affected by the break in the pact made between the Azcona-Alipo and the "Callejismo."

Montoya Orbin stated: "So far, he has maintained a positive attitude. However, we do not know if his image as one of his party's leaders will suffer if he adopts an oppositionist stance."

Montoya, presidential hopeful of one of the Liberal Party's factions, said in reply to Callejas Romero that the pact was not made to dole out jobs, but rather to protect the democratic system.

"When people believe in something, they cannot break something that must essentially exist," Montoya added. He was referring to the need to continue defending democracy for the sake of all Hondurans.

Montoya Orbin feels that Callejas Romero is under pressure by his party's grassroot followers to stage opposition. However, he considered that this is a mistake because during the current time of crisis the best thing to do is to support democracy.

He revealed that Oscar Melara, Celeo Arias, Williams Hall, Oriando Gomez Cisneros, and he had signed the agreement on behalf of the Azcona-Alipo alliance. Montoya said that he felt "proud" to have signed that pact because it served to achieve political unity and, to a certain extent, reconciliation of the Honduran family.

Further on, the politician noted that the Nationalists are confused about what are national agreements and what is the expected opposition or political stance which they as a party can take. "The agreement does not preclude adopting an oppositionist stance," he said.

Foreign Ministry Resignations

PA261900 Panama City ACAN in Spanish 1657 GMT 26 Dec 86

[Text] Tegucigalpa, 26 Dec (ACAN-EFE) -- In an unprecedented action, the Honduran Foreign Ministry today asked all its administrative and diplomatic personnel for their resignations.

A special form distributed to all department heads explained that ambassadors abroad whose resignations are not accepted will remain in their posts.

According to certain Foreign Ministry employees, "the decision made by Foreign Minister Carlos Lopez Contreras is against the law."

It was also reported that it goes against statements made by the Honduran president to union leaders guaranteeing that there would be no dismissals in the public administration.

NICARAGUA

RADIO LIBERACION TO 'INCREASE TORRENT OF SLANDER'

PA010114 Managua Radio Sandino in Spanish 1200 GMT 31 Dec 86

["Misinformation Analysis" feature by Onofre Guevara]

[Text] According to a not-too-innocent news item published on 28 December -- called the Holy Innocents -- the CIA will install a 50-kw counterrevolutionary radio station in Salvadoran territory. The radio station, as befits a CIA project, will have technicians, editors [libretistas], and sociologists, all of them specialized in misinformation techniques to harm Nicaragua.

To begin with, the station will be called Radio Liberacion so that it can pretend to be "the voice of the Nicaraguan voiceless." Working among crooks, the station will truly increase the torrent of slander against the revolution and will become the faithful voice of Somozists, traitors, and other enemies of the people.

Nevertheless, the station will add nothing new to the contents of the radio broadcasts of the network set up in Central America, the United States itself, and through the venal press of the pro-U.S. countries' alliance. In addition to this, there are two reasons for installing such a radio station:

1. The mercenaries' movement is fully bankrupt, trying to make up for its military inefficiency with propaganda.

2. Because of this failure, they must increase propaganda to pave the way for a direct U.S. attack. Of course, the mercenaries' movement is bankrupt. This is why the CIA considers that the movement requires a propaganda push to lift its crestfallen morals.

Considering, however, that the counterrevolutionariews never lacked material support and never achieved so much as a modest military success, it is less than likely that a miracle can be performed to create a fighting spirit through propaganda support because, in addition, morals cannot be purchased with anything. What, then, can the mercenaries' radio station do? Anything, except fail to fulfill the misinforming mission for which it was conceived and installed by the CIA. However, the sociologists, editors, and technicians who are going to work for this station will try to utilize old procedures and psychological resources from the abundant but not infallible bourgeois propaganda and publicity.

They will continue to call the revolutionary leadership humiliating and offensive names. They will speak beautifully of the so-called free world and its false democracy. They will invent or distort Nicaraguan events for the listeners of other countries and will tell the listeners they can get in our country about the benefits of living in a "democratic society" of landowners, bankers, political schemers, guards, and exploiters, as if people did not already possess a true knowledge of the meaning of all this.

The station will also publicize the criminal rabble of the mercenaries, many of whom the Nicaraguan people know very well. Naturally, the U.S. Government will cease to be -- in their broadcasts -- the aggressor and will become instead the tireless advocate of peace and democracy. However, because the entire revolutionary project is in crisis and "contra-gated" and without any military victories, "military bulletins" will also be heard speaking of great victories, although their psychologists cannot feel as optimistic in these conditions as to recommend to the editors to get all the details about this. Propaganda-wise, it is not good to speak about dead who enjoy good health.

According to the news item in question, published in Los Angeles, programs have already been prepared, including parodies of the Nicaraguan revolution leaders. In the moral order of the counterrevolutionaries and imperialism, this means personal slander, gross language, and bad jokes to satisfy the enemies of the revolution in accordance with the low political level of those who have been thrown off the track.

In sum, in view of the crisis that the mercenaries' strategic defeat has elicited throughout the counterrevolution, they think that a reinforced propaganda will make it possible for them to either overcome the crisis or make it lead to a direct attack. For this, they will increase misinformation about Nicaragua.

In view of such an escalation, we in Nicaragua will continue to rely on our reality and our truth for our defense.

PLI TO EXPEL DEPUTIES WHO SIGNED CONSTITUTION

PA291731 Hamburg DPA in Spanish 1559 GMT 29 Dec 86

[Text] Managua, 29 Dec (DPA) -- A top leader of the opposition's Independent Liberal Party (PLI) today announced that the five deputies of that organization who signed the Nicaraguan constitution "will be expelled from their party for their lack of discipline and dissident attitude."

Juan Manuel Gutierrez, PLI first vice president, made the announcement 2 days after legislators Eduardo Coronado, Santiago Vega, Macario Estrada, Carlos Alonso, and Julio Melendez signed the constitutional text, defying the Liberal leaders' mandate calling for abstention.

The signatories of the fundamental law, which will become effective on 9 January through an official ceremony in Managua, are part of the emerging movement for the PLI's democratization and unity, created last 9 September against the Liberal leaders' abstentionist positions.

In a statement published by the independent daily EL NUEVO DIARIO, PLI acting President Gutierrez said that the legislators contravened the decision adopted at the Liberal assembly held several months ago, when the majority decided "not to sign the constitution."

The Liberals, who have been active in Nicaragua for 40 years, have nine parliamentary seats, including the one accupied by PLI president Virgilio Godoy, who, according to political observers, heads that organization's "abstentionist" group.

Gutierrez, who is also a deputy in the Nicaraguan legislative chamber, told EL NUEVO DIARIO that "we cannot sign a constitution which is antidemocratic and which goes against Liberal principles."

In view of the fact that the PLI president is away in Mexico, Gutierrez convoked a meeting of his party's Executive Committee, to be held next Tuesday to decide on the measures to be adopted against the "dissidents."

When the five legislators signed the constitutional text, Deputy Eduardo Coronado told the local media that "not signing the constitution would be turning their back to history and would be disobeying their commitment to the people, which is to struggle civically to firmly uphold the party's libertarian principles...".

So far, 91 of the 96 deputies in the parliament have signed the political constitution, which will be sanctioned by Nicaraguan President Daniel Ortega in 2 weeks.

PLI NOTE BRANDS 1986 'DISTRESSING YEAR'

PA041832 Panama City ACAN in Spanish 1535 GMT 4 Jan 87

[Text] Managua, 4 Jan (ACAN-EFE) -- The Independent Liberal Party [PLI] has lamented with "deep concern" the internal situation in 1986 and the "increasing deterioration" of Nicaragua's international relations, especially with neighboring countries. The PLI said that "the current government's lack of credibility and its obstinate refusal to undertake a democratic opening are the main obstacles to overcoming the current crisis."

In a year-end declaration, the PLI, the second largest opposition force in the National Assembly, stated that the crisis is apparent in the fields of food, health, transportation, housing, and education. The declaration, which was distributed today, states that inflation in Nicaragua "is unstoppable." It adds that wages cannot adequately and proportionally keep pace, and that real unemployment affects approximately half of the economically active population. Thus, Nicaraguans "have seen their living conditions reduced to unsuspected levels."

"With its exaggerated ambition to concentrate political power in its party, the Sandinist regime has deeply wounded all citizens, something that we believe is the main cause of the cirsis," the PLI adds.

According to the PLI, the crisis has also been demonstrated by the exodus "of no less than 500,000 Nicaraguans who have gone into self-imposed exile because of the lack of hope for a better future." The PLI stated that this phenomenon "is due to a government that is sinking in its administrative incompetence and incapacity, causing misery and a dramatic social division because it has violently disregarded the original plans of the revolution."

The PLI said that "man cannot develop as a social being without freedom and justice." I added that "the lack of freedom and justice leads to insecurity and fear, and that this inexorably leads to violence which is manifested in war and death among our people."

The PLI states that "when war is of a civil nature, it is not only disastrous, but senseless because the most despicable thing that any of the sides in conflict can aspire to is to triumph upon the bodies of its own brothers." The PLI stressed that "war is unleashed when the civic spaces are closed." It also cried out for "the reopening of the paths of civic action in our country."

The Independent Liberals stated that 1986 will be sadly remembered as "the year of the suppression of the newspaper with the greatest history in the fatherland, as well as of the church's new organ." The PLI was referring to the closing for an indefinite period of Nicaragua's Radio Catolica in January and of the newspaper LA PRENSA in June 1986.

"It was a distressing year," the PLI insisted, "because of the suspension of all public political activity by the parties not in the government, the arbitrary arrests, the obstacles to independent trade unionism, and the expulsion of priests and bishops."

The Independent Liberals pointed out that 1986 was characterized "by the constant harassment" of the associations, unions, and political parties not linked to the political-military regime and by the permanent prior censorship of the expression of thought." [quotation marks as received]

The PLI concluded its declaration by asking the government for "reflection and rectifications." At the same time, it demanded the issuing of a "total amnesty" decree, the suspension of the state of national emergency, and a reply to the request for dialogue made by the internal opposition in 1986.

ATLANTIC COAST COMMUNITIES TO DISCUSS AUTONOMY

PA030025 Managua EL NUEVO DIARIO in Spanish 2 Jan 87 p 12

[By Ernesto Aburto M.]

[Excerpts] Great expectation exists in northern Zelaya over the coming meeting in Puerto Cabezas of the so-called General Assembly of the Atlantic Coast Communities.

Also known as "multi-ethnic," this assembly plans to approve within the last 10 days of January the final autonomy document that they will present to the revolutionary government and the National Assembly in the early months of this year.

Deputy Commander Jose Gonzalez Picado said: "This is the fruit of nearly 40,000 consultations with all of the Atlantic coast's representative sectors."

Asked by this newspaper, the FSLN coordinator in special zone one said that the popular consultation process in northern Zelaya included all of the Rio Coco communities and the plains and coastal areas north and south of Puerto Cabezas. [passage omitted]

Gonzalez said that all of those consulted have agreed on the need for and have striven for dialogue, a full cease-fire, and the autonomy project. All of these people identify with the people and with revolutionary and Christian principles.

He also referred to the peace and autonomy commissions headed by Miskito deputy Hazel Lau, a leading representative at the National Assembly.

CUADRA DISCOUNTS POSSIBILITY OF DEVALUING CORDOBA

PA021937 Managua Radio Sandino in Spanish 1200 GMT 2 Jan 87

[Excerpt] Joaquin Cuadra, the minister and director of the Central Bank of Nicaragua, has said that the Nicaraguan economy could improve in 1987. The year 1987 is not positive with the advancement made in the control of the economy. [sentence as heard] We can improve our economy substantially, Cuadra said.

Minister Cuadra said that he does not think we will need to devalue the cordoba. He announced that in the coming days, 5,000-cordoba bills will start circulating in Nicaragua.

[Begin recording] [Cuadra] Well, this is part of the problem, because exports dropped nearly $100 million below what was expected. However, there was a very good administration of the [words indistinct] and we succeeded in fulfilling and granting all of next year's production.

[Reporter] What are the prospects for 1987, Mr Cuadra?

[Cuadra] It seems that 1987 will be a very difficult year, but thanks to the advancement that we have made in the control of various sectors of our economy, I think that we will be able to improve our economy substantially in 1987.

[Reporter] The cordoba had stability during 1986. What are the prospects for 1987? Is there any possibilty of a devaluation?

[Cuadra] I do not think we will need to devalue the cordoba again. Our currency is obviously losing purchasing power because the rate of exchange is unfavorable; therefore, we would not obtain any benefits with a devaluation of the cordoba. [end recording] [passage omitted]

WHEELOCK ANNOUNCES INCENTIVES FOR CANE CUTTERS

PA031239 Managua BARRICADA in Spanish 2 Jan 87 p 5

[Text] Commander Jaime Wheelock, minister for agricultural-livestock and agrarian reform, Midinra, has announced that an incentive plan for those cane cutters who succeed in exceeding the 6-ton standard will be implemented in 1987. Those who succeed will be paid twice for their 7th ton.

Wheelock said that in 1986 Region 4 did not meet the 6-ton-per-man standard.

Region 4 authorities have reported that one of the biggest problems in the Benjamin Zeledon sugar mill has been a manpower shortage, due in part to the social improvements carried out by the agrarian reform in the area. In some cases, workers either have organized cooperatives or work their plots of land individually. In addition, there is the problem of the supply of staple products.

During the meeting, workers brought about the problem of machinery spare parts, particularly loaders. This problem directly affects production. The minister said that with the effort of workers and peasants and the revolution's military victory in 1986, Midinra spent $40 million to purchase agricultural implements and machinery to be required by the sugar industry in 1987.

He also demanded the workers' support and pointed out that sugar is necessary for the diet of 3.5 million Nicaraguans who consume 120 lbs per capita each year and added that more than 400,000 quintals of the national production are destined to national candy manufacturing and bottling plants.

The minister said that 140,000 more manzanas of land were planted in 1986 than in 1985 and that the agricultural level [as heard] rose by 10 percent over the previous year and by 6 percent above that of 1984.

He said that, however, the people suffered a difficult situation in 1986 and that this situation represented a carryover from 1985, which included 3 years of destruction and death because of the imperialist aggression.

Freddy Morales, who has been working as a cane cutter for 25 years, told Commander Wheelock that the standard accomplishment per person on one of their tasks is about 4,400 yards of cane, but that only 2,200 are completed in 5 hours. He added that sometimes this is due to labor indiscipline and at other times the cane plantation has not reached maturity. Therefore, the yield is low.

Wheelock said that joint efforts will be made to overcome the problems that have arisen. He pointed out that the Nicaraguan sugar industry should be regarded as an agricultural and industrial complex.

A report presented by Companero Miguel Gomez, Midinra delegate in the zone, reveals that 870 cane cutters are currently required for the Benjamin Zeledon's 7,400 manzanas of sugarcane. The current deficit is 120 cane cutters. Referring to the progress of the 1986-87 sugarcane crop, he reported that industry-wide 46,100 quintals have been produced with a yield of 186 lbs per ton. [as heard] He added that the mill can presently produce 5,000 quintals daily.

He said that the Javier Guerra sugar mill's yield has been greater than that of Benjamin Zeledon. The former produced 39,537 tons with a production of 78,261 quintals and a yield of 198 lbs per ton.

He also presented a production balance between the Benjamin Zeledon's 1985-86 sugarcane crop of 597,094 quintals and the 1986-87 crop of 617,590 quintals.

Finally, he referred to the 16 harvesters that collect 540 tons daily.

ORTEGA HAILS DPRK'S KIM IL-SONG ON REELECTION

PA311911 Managua Domestic Service in Spanish 1200 GMT 31 Dec 86

[Letter from President Daniel Ortega to Korean President Kim Il-song; date not given]

[Text] Dear companero and friend:

On behalf of the FSLN National Directorate, the Nicaraguan people and government, and myself, I wish to convey to you our congratulations on the occasion of your reelection as president of the DPRK.

I take the opportunity to express to you our sincere recognition for your untiring efforts on behalf of your people's progress and well-being, your invaluable contribution to peace and detente on the Korean peninsula, and your commitment to the cause of self-determination and independence of peoples, particularly to the just struggle of the Nicaraguan people.

We are firmly convinced that under your wise leadership, your heroic people will continue to expand their economic and social development and that the commendable efforts toward the peaceful reunification of Korea will continue.

Fully confident in the ties of sincere friendship and indestructible solidarity between our countries, I convey to you a fraternal greeting.

[Signed] Daniel Ortega Saavedra
President of the Republic of Nicaragua

ORTEGA SENDS SOLIDARITY LETTER TO PLO'S 'ARAFAT

PA311515 Managua Domestic Service in Spanish 1200 GMT 31 Dec 86

[Letter sent by President Daniel Ortega to Yasir 'Arafat, chairman of the PLO Executive Committee; date and place not given]

[Text] Dear Commander 'Arafat:

On the occasion of the celebration of the 25th anniversary of the creation of the Palestinian armed forces for the struggle of national liberation, and on behalf of the FSLN, the people and the Government of Nicaragua, and myself, I send you our sincere and fraternal embrace.

Similarly, I am pleased to have a new opportunity to express our solidarity and firm support for the noble struggle of the Palestinian people, who fight for their legitimate and inalienable rights over the territories occupied by Israel.

On this occasion, we reiterate our most vigorous condemnation and rejection of the genocidal attacks carried out against Palestinian refugee camps in Lebanon as part of the policy of force and intimidation practiced by the Zionist regime of Israel and its regional allies.

On this memorable occasion, I take the opportunity to thank the Palestinian people's solidarity and to express our firm conviction that our peoples will defeat the unfair, illegal, and immoral aggression imposed on us because of our invincible determination to be free.

The people of Sandino send their fraternal greetings to the PLO, the legitimate representative of the Palestinian people.

Fraternally, Daniel Ortega Saavedra

CASTRO DISCUSSES NEW ECONOMIC MEASURES

FL1031357 Havana Tele-Rebelde Network in Spanish 1859 GMT 27 Dec 86

[Interview with President Fidel Castro during a break in the 27 December session of the National Assembly of the People's Government at Havana's Palace of Conventions, by unidentified women reporters -- recorded]

[Text] [Reporter] How are you, Commander?

[Castro] Fine.

[Reporter] I wanted to tell you that your remarks yesterday have had a great effect on the population. We have learned from national news agency reports that lightning rallies and spontaneous demonstrations have occurred in various provinces in support of the measures. We have also learned today that this is still going on on a large scale. I am telling you just some of the things that have been happening. What do you think about the Cuban people's immediate reaction, since we can categorically say that it is the people of Cuba?

[Castro] I expected that. The people have always reacted like that in times of difficulty. They have always had a spirit of cooperation and determination to surmount all difficulties. That is why it does not surprise me. The reports I have been receiving about the people's reaction make me very happy. I have also been told that many people have called radio stations to ask when the measures will be implemented.

[Reporter] That was the other question.

[Castro] There is a schedule for the implementation of the measures. Not tomorrow or the day after. We will start applying some of the measures sooner, in early January; others will take longer. For example...

[Reporter, interrupting] Which ones?

[Castro] Well, we have not decided. The easiest ones to apply will be applied from the beginning of January. Others might take a little more time. For instance, the separation takes longer. The regulation of state vehicles will also take more time, because we have to make the new plates. I feel that many of them should be applied beginning in January.

[Reporter] The great majority.

[Castro] The schedule is being worked on. No one need worry because we will inform everybody exactly when each will begin.

[Reporter] The media could play an important role.

[Castro] The simple fact they are published is a tremendous help. Right now the media is helping because they are allowing this explanation. There is a schedule.

The board and the central group are in charge of explaining each according to its individual characteristics. We must try to apply them as quickly as possible. But there will be plenty of advance notice.

[Reporter] Commander, you talked about the afternoon snack: some people heard about the central organs and did not really understand how this works. Perhaps you could explain.

[Castro] The state's central administration organ -- this means all the ministries, all the state committees, all that, and the local people's government organs also. That is, this does not include the enterprises. This measure applies only to the central and local administration organs. The provincial people's government, the municipal people's government, all that. It does not affect work centers. They remain the same. As you will understand, these measures are many and the intent was to select those that affected the least and produced results, as I was explaining yesterday, in terms of savings and internal finances. Some measures were taken in connection with the rice, for example -- the substitution of certain amounts, because we have such a severe drought, because the reservoirs are empty. It is to be supposed that rice production will be affected by this drought no matter how good a job they do there. That is why some supplies for the Agriculture and the Sugar Ministries have been reduced, because they are producing and self-sufficient.

[Reporter] What about milk and meat?

[Castro] Actually, milk was affected only minimally. After all the calculations were made, the effects were estimated of not importing powdered milk -- some quantities are always imported each year -- and we looked into what had happened to the powdered milk, to the 20,000 we received from the GDR. A few years ago, in agreement with the comrades in the GDR, we invested in the milk that they used as food and for other purposes. They turned this surplus of milk into powdered milk. We exchanged a ton of powdered milk for a ton of torula yeast. That is the type of exchange we have because they are more interested in torula because of the vitamins it contains. In brief, they expressed a great interest in torula and we agreed to an equal exchange between torula and powdered milk.

We invested in the factory that produces powdered milk. Since they eat a lot of butter in the GDR, they have surplus milk after the butter is taken out. Consumption of butter is one of their national habits. The surplus milk was used as animal feed. Of course, this is made into powdered milk and I imagine it is easier to handle the torula for fodder. We exchanged 20,000 tons of torula produced in Cuba for 20,000 tons of powdered milk from the GDR. This was arranged several years ago. We are going to try and obtain 3,000 tons more.

[Reporter] More?

[Castro] Yes, but giving them a little more torula. This one-on-one exchange is very beneficial. It is very economical for us. We are discussing an amount slightly greater than 20,000 tons. We also receive 9,000 tons from the USSR. We receive a tremendous amount from the world food program.

Add to this national production and anything else will help. If it rains now in Pinar del Rio, just a little amount of water, 15 mm of rainfall, [does not finish sentence]. It seems as if nature agreed with us -- we were complaining so much about the drought [reporter laughs] -- because we did get some showers. I asked how much rain fell, if it was 10 mm or 11 mm. Fifteen or more millimeters of rain helps in the production of animal feed and it can help the sugarcane a little.

That and national production allows us to maintain the most important items of consumption. We do not have to touch the children's quotas.

The quota for intermediate-level students is also very slightly affected. It is reduced from one-half a liter to one-third. The workers's quota is reduced from one-third a liter to one-fourth, as I indicated yesterday.

The quotas will also be reduced in some diets because of these diets...[changes thought] From 1 liter to 3/4 liter, for those who receive a quota for 1 liter.

Many times the criteria for medical diets are very different and there has to be more control because there are about 1.2 million.

[Reporter] The figures you gave yesterday are very impressive.

[Castro] There are 1.2 million medical diets. Some are prescribed and kept. The need has to be determined. A diet may require beef and you may require boneless beef. Some are relatively high.

[Reporter] Which ones, for example?

[Castro] Some are 3 pounds, 2 pounds, or more. A small reduction will be made. In general, it will be a one-fourth reduction. With these measures and the milk available, children's quotas will not be affected.

[Reporter] That is very important.

[Castro] We have also tried several methods to conserve rice. At one time it was thought that reduction of 18 percent was needed in social consumption. Lunchrooms sometimes wasted rice. I have seen large plates of rice served by some lunchrooms and half is left over. There truly is waste in lunchrooms.

An effort is being made to get an additional amount of rice from the USSR and not touch the quota for workers' lunchrooms. Originally, it seemed that this quota would be affected.

[Reporter] Yesterday, you discussed increased consumption of potatoes.

[Castro] That applies only to 2 months, those 2 months when there is a large potato harvest. There will be a good harvest, despite the drought, because of the amount of caballerias planted thanks to the Masposton Dam. The problem of the drought is that the groundwater level has been greatly reduced.

If water is extracted, there is the risk of salinization. But, we have approximately 80 million cubic meters of the Masposton reservoir, which, thanks to this canal, allows water to be transported to several farms. In the future it will be transported to more farms but we need to use the irrigation systems and we will construct them.

I made an error yesterday. I said the Soviets were supplying us with 25 of those irrigation systems but actually, they are supplying us with 25 over a 5-year period. This amounts to 5 per year and we propose to make 50 [as heard] irrigation systems per year beginning in 1987. This involves the mechanical industry.

[Reporter] Mechanical industry?

[Castro] We have made that obligation. We have already studied the workshops involved.

[Reporter] This was done in the report back?

[Castro] It is a production that is not very difficult. Making KTP-1's [cane harvesters] is more difficult. By the end of the 5-year period we expect to be making 150 irrigation systems that are efficient and conserve water. We are interested in irrigation systems that conserve water.

Havana, thanks to that canal...[changes thought] And we expect that this situation will not be prolonged indefinitely, and the groundwater levels will have to recover. As you know, the water situation has also had a social impact. It is impressive.

I read and reread the rainfall figures and they always call my attention. The drought figures are horrifying. They are 65 percent of the average rainfall. After 1 dry year during a 6-year dry period, it is a very impressive figure. I had forgotten to mention this.

We have to support more plans for constructing reservoirs. I was speaking to Pinar del Rio provincial officials and they had some ideas. Aside from the Vinales Plan, which we want to make a prototype, the Pinar del Rio comrades have a dam which has a certain amount of water now, to be connected to a canal in a rice area. There is a program with an investment of 10 million [denomination not specified]. We would obtain 137 million cubic meters more and it would allow irrigation of 600 caballerias of rice during a time when irrigation would normally not be possible.

The first province to implement a rapid water system is Pinar del Rio. They have reserve equipment that will be assigned. I was speaking to Lugo [Orlando Lugo Fonte, first secretary of the Pinar del Rio Province Executive Bureau] about this. Now we immediately supplied Pinar del Rio...[changes thought] Give me the materials I had around here. See if someone has them.

We are going to work in the Cauto basin. The Cauto basin is very important. I asked Rosso, the party secretary responsible for construction, to give me some figures on the reservoir that needs to be built in Cauto del Paso. There could be a reservoir there that could deliver approximately 300 million cubic meters.

Construction of this is planned to begin in 1988, but I am going to do everything possible to gather equipment, to see if we have reserve equipment to begin quick construction of that project. It may be possible to advance the beginning of that project to this year. This would also advance the construction schedules.

I was looking at a list of equipment that will be available in December. We [corrects himself] they have a project to begin. That is what we are seeing now. They have a preliminary project. The executive project will be completed in December 1988. It will be totally completed. The project can begin when equipment is available. This needs to be concretely established, as it was done before.

This began to decline because of several factors. Insufficient resources were assigned. There was insufficient awareness of the need for investments in agriculture. Investments are important because without them, you cannot maintain sustained increases.

We are producing approximately 11 million quintales of rice during the harvest with the use of harvesters.

We could even produce 16 million quintales. However, it is still humid. The rice needs to be dried and then processed.

We also have acquired three precooked rice plants. This product will soon be on sale. The first plant in Pinar del Rio is now operational. That rice has more vitamins, protein, and it allows greater yield of large, husked rice. It also has a good flavor, excellent flavor. The first plant is ready. It will be sold, it will be sold [repeats himself] on the parallel market, this precooked rice.

The second province that will be promoted will... [changes thought] You should see the Corojo reservoir. It had resources assigned on the assumption that it would take 20 years to construct. Money cannot continue to be sunk into something that takes 20 years to construct without getting a single cent in return.

[Reporter] That is the same problem that exists in the investment process.

[Castro] Yes, it is the same problem that happened in road construction and in other areas. Unfortunately, at one time, they did not move at an adequate pace. We have 25 roads that will be [words indistinct] years, those that correspond. We are going to promote the Pinar del Rio highway. When one goes to Pinar del Rio, there is a detour that ends in La Herradura and there is tremendous traffic. We are going to finish a road, a two-way road, by mid-1988. The remainder of the year will be used to construct the rest of the road. It is a four-lane highway. One has to find a direct route to Pinar del Rio because one loses an incredible amount of time, despite the detour.

Simultaneously with Pinar del Rio, we are going to promote a project in the Cauto valley. The Corojo River project has to be stepped up to complete it in 2 or 3 years. The Jicotea project needs to be completed because the shrimp hatchery plant is located in the Cauto area and if that plan is one day affected by a flood, it will be the end of that plan and one has to...

[Reporter, interrupting] You discussed that matter a short time ago at a meeting.

[Castro] One must protect this. The Cauto del Paso Reservoir and the Jicotea Reservoir will not only supply more water, but will also protect investments in shrimp production, which could provide income in foreign exchange that are very important to the country.

What we will do then... [changes thought] and we can cultivate another 1,000 caballerias of rice. With the yield we are obtaining, another 1,000 caballerias of rice would amount to 1,200, 1,300, 1,000 [corrects himself], from 1.2 million to 1.4 million, 1,000 quintales [figures as heard].

What is lacking is water. It helps us combat salinization in the area because the Cauto has several salt springs. They have salty water and that is a problem because the Cauto is the canal, as we call it, that circulates water. It transports water a great distance. That would almost complete the network of [words indistinct]. More is required. The cost...[does not finish sentence].

We still have the potential to make reservoirs with relatively few investments. The Pinar del Rio project calls to attention the [investment of] 10 million pesos [allowing for an additional] 137 million cubic meters, [which would allow the irrigation of] 600 more caballerias.

[Reporter] [Words indistinct] realize the process of constructing this reservoir.

[Castro] We are carrying out this struggle. We are carrying out the struggle to elevate construction everywhere in general, including Havana.

They are doing very rational things. Now, what the Micons [Ministry of Construction] does has to be limited. Certain smaller projects have to be assigned to the people's government.

The resurrection of the microbrigades will solve big problems because they will build 600 [family doctor] homes/offices. The microbrigades will build 50 child care centers. Despite the difficulties, look at the development.

Twelve, there are approximately 12 polyclinics that will be constructed. I said 12 polyclinics. There will be 10 or 12 special schools that will be constructed within a year in Havana province with microbrigades and they will work on 10,000 nomes. They will not complete them all but they will work on 10,000. There are more than 100 microbrigades working. Circles of this type are now being created. Polyclinics are waiting for drafts because construction was to begin during these next few days. Several things are being done.

The care centers program will then be taken to the provinces. We are going to begin in Havana because there is a great demand and there is a high incorporation of women in the work force. But this program we are carrying out now... [changes thought] and precisely for this, we considered cutting back a meal, the evening meal.

[Reporter] That is a measure the population has accepted well and they understood it well.

[Castro] Yes, clearly. The children have their quota. They have everything. They will fatten them, if they give them a meal, potatoes, and then they go home and eat again.

[Reporter] But generally, the mothers take the children home from school and feed them again.

[Castro] That can be converted into duplicating the number of child care centers in 3, 4, or 5 years. But in Havana, in Havana [repeats himself] the figure will be elevated 50 percent in 2 years. Havana has approximately 30,000 and a capacity for 100,000. Now, in 2 years, Havana will acquire a capacity for 20,000. I do not remember the exact figure. It is between 30,000 and 40,000 but in 2 years Havana will acquire the capacity to enroll 20,000 children.

That will resolve a very important problem because I have seen many cases of women concerned about where they will place their child. This is what I can tell you on these things.

[Reporter] On hearing you now, I can reflect on our people's reaction, which reflects their attitude in confronting this. Yesterday, you stated in one of your speeches that some would feel some discouragement but that is not proper revolutionary conduct and I would like you to explain...

[Castro, interrupting] But it is not the people that become discouraged. If there is discouragement, it is in the cadres. There is no discouragement among the people. When I speak about discouragement, it is in the cadres. The situation becomes difficult, complex. How can it be resolved? I was referring to the cadres.

[Reporter] And how do you think the party now, in general, can confront everything related to this policy of cadres and the deficiencies they have had?

[Castro] Well, the party is playing an excellent role. Here in Havana, the party is playing an enormous role but Havana was one of the most difficult tasks for the party because there are many chiefs in Havana, many chiefs.

In the provinces, the party has control of the situation. The party has great authority. It is the highest authority there. Then there is a province like Havana City, which has a good party and good cadres, but since all the ministers and chiefs are here, many organizations do not even have representatives here. Many want to manage factories from the central organizations.

As I said at the congress, the municipal party secretaries have to be given the responsibility that the provincial secretaries have so that they have [does not finish sentence].

If there is a school, he has to have control of that school. He has to have control of all the hospitals, constructions, and industries that operate there.

The party is carrying out important work in the ironwork factory, which I referred to yesterday. It is a new factory, which is why it is easier there. It is a new factory that is now operational but it has a staff of 1,900 and the staff needs to be adjusted to what is needed there, which is 1,020. Imagine, the extra personnel they have there. When the staff was calculated... [does not finish sentence]. There is a tendency among people to organize an empire under their jurisdiction. I have been struggling 27 years against this tendency. This is not new.

This is an old problem. For the first time in 27 years, I am finally seeing an awareness of the problem. In this battle for the rectification of mistakes, there are new mistakes and negative tendencies, but there are some old ones as well. This business about inflated payrolls is as old as the revolution. Actually, it is older than the revolution because this comes from capitalism, especially in government offices. The industrialist tried to have a smaller payroll but interests had to be considered too. His interests conflicted with those of the works. And the workers, rightly so, made the attempt. [as heard]

Only under socialism can you afford to have rational payrolls. This does not mean deflating the inflated ones. Those cannot be deflated suddenly because you would create a social and political problem. But I will give you a good illustration of this. That is the CEN [electronuclear plant] and another is the factory. Two examples only that demonstrate how much rectification of old and new negative tendencies, of old and new errors can yield.

What was brought up at the assembly helps a great deal in understanding the importance of this. Take the CEN. It is not the same to build a plant with 17,000 workers as with 12,000. And they are going to build it with 12,000. When the problem was raised, they began to work in the right direction, the utilization of the workday. Before, they did not make the effort. They kept asking for more and more people. And they allowed the vices to go on. Now they have begun to organize the snack hour. The workers don't go out for it. They are brought the snack. They closed down the cafeteria. They are making the effort. Now if they achieve 85 percent utilization, and of course, there must be a rigorous control so the pace won't be interrupted, they will build the CEN with the 12,000 workers. And not only that, the people are more enthusiastic, more aware. We don't need 17,000. Do you realize what it is to save 60,000 workers? And to save half in that other factory? We know that the workers on hospital payrolls are more than needed. That is figured in. We are not going to deflate them as their services end, we will transfer the workers from one area to another. That is how we have to do it: slowly. You should see the excess number!

Now, the microbrigades were wrongly said to clash with the economic management and planning system. But this was false. They were really organized to do extra work [plustrabajo]. They were conceived to do extra work. But there will be no extra work because there are too many workers. The fact that there is no extra work...[changes thought] we were working on the premise that there would be no excess workers and there are, there are more excess workers than before. One way you can use this extra force is building housing and social projects. That is what we are doing now. With the interruptions alone we could carry out a plan. With the wasted hours of the workday alone we could carry out a construction plan. With the excess we could carry out a plan. In addition, you have extra work. People will accept working 10, 15, or 20 minutes more to release 30 or 40 men to solve important social problems.

The family doctor, housing, child care centers, special schools are very important. The polyclinics that we need. There are some new polyclinics; others have been adapted to that use. Havana is going to have all the services it needs.

We also brought back the microbrigades here. We did not want to resurrect them nationally because we might suddenly run out of materials. Besides, the problem is more serious here. The housing need is greater. We were building 4,000 or 5,000 for a bunch of years. That is not enough even to replace the old housing. The theory that there is no work force for construction... [changes thought] Yet those workers when they go to the construction sites are excellent, disciplined, reliable. The party has mobilized contingents who are working on the Salvador Allende, the 10 October, a series of hospital works. They have solved a bunch of problems. You should go to the 10 October to see how the maintenance workers, who did not have materials to work with, who did not have materials to work with [repeats himself], have now made an impressive sterilization plant there. And the maintenance men are doing a lot of things.

And what the maintenance men can't do, as in the Salvador Allende, where an intensive therapy ward is being built, the people's government can do with microbrigades. And they are going fast. Those really start and finish, start and finish, because you can't begin a project and not finish it. Conditions must guarantee that if you begin a project you will finish it 4, 5, or 6 months later, and that's it. And you go on to another one. The absurd thing is to spend 10 years on 10 projects and not finish any of them.

[Reporter] The investment spread [abanico inversionista]. Lastly, Commander, because she would like to talk about international problems, there was something that you were saying that is very important. I think you were talking about the attitude of a person.

[Castro] Well, that is the decisive thing. In all these concepts we are applying, the party has high profile role. We view the role of the party, the revolutionary political work as fundamental. For a time that was seen as a secondary thing and apparently without importance. Right. What did you want to talk about?

[Second woman reporter] You already referred to Cuba's responsibility to our friends in the building of socialism, and how our enemies would also use these [words indistinct].

[Castro] Yes. They must be worried, because we are on the right course. And if we are mistaken they must be happy, especially when they see that we are beginning to take liberal-bourgeois measures. That is what imperialism wants. Because it is bent on proving that capitalism is the ideal system for development and all that. As if a starving Third World did not exist, with its terrible problems. Now I say that (?communism) still has not been able to overcome its own errors. It is in this area, by finding a way to work efficiently and correctly, and by showing the possibilities of success following that course, that we are rendering a service to socialism, to the prestige of socialism. I have no doubts about that. When we see some examples, such as the CEN and the ironworks -- look what we can do by following that course; there's no telling what we can do.

Now, our people are different. We are united, a people who understand, or at least the immense majority do. There might be some uninformed people, but the immense majority know that when we take a measure it is not to benefit the bourgeoisie, not to benefit anyone else but it is in the interest of the people themselves. Look at these measures and all the many things we are going to do. Economic development goes ahead. It doesn't matter that development is not too great. What is important is that there is growth. It could grow in many unimportant things. You can grow 2 percent in important things, and that really makes a difference. So, we are not sacrificing economic development. We are still building our CEN, our oil refinery, and we prioritize all those industrial objectives that generate exports and save imports.

Social development, [words indistinct] development of 10 or 12 special schools in a year, build what we need in 2 years. And guarantee housing for 1,600 family doctors. What is that? High quality social development. No other country has that, that program we are carrying out in the (?social) area. No one else has it. Building a cardiac center. Creating special services of high quality in all the maternity-children hospitals during the stage... [changes thought] we have a prenatal program that saves lives, especially in the most critical state, the first week. What is that if not social development? The effort we are making to improve education, social development. We are not sacrificing economic or social development except in some aspects and at certain levels.

Logically, if you spend a little more on transportation, in electricity, you are sacrificing something in that sense. But this does not affect development. It is going to mean a bit more expense [words indistinct] better financial balance. But this is positive. We could not have done this in a (?poor) country. Other countries have had debt problems. Their annual growth slowed down. We will grow only a bit but we will grow in fundamental, essential items. We are continuing to build our electronuclear plant, which will give us a capacity of 2 million kilowatts. Can you imagine 2 million kilowatts? That is merely six times the installed capacity at the triumph of the revolution. The four reactors, along with the hydroaccumulator [hidroaccumuladora], at determined moments spend electricity when there is an excess and produce it when needed at peak times. Two million kilowatts! A project of that nature. We are building the projects in Moca, all the industrial projects. We continue to carry out programs. Economic and social development continues.

We are doing the right thing. Truly the correct thing. It will take us to the construction of communism, of socialism.

BARBADOS

BRITAIN'S HOWE LAUDS SECURITY SYSTEM TIES

FL022106 Bridgetown CANA in English 1744 GMT 2 Jan 87

[Text] Bridgetown, Barbados, Jan 2, CANA -- Foreign Secretary Sir Geoffrey Howe today lauded security cooperation between Barbados and six eastern Caribbean states, and pledged continued British support for the regional security system (RSS).

...Britain admires the leading role which Barbados has been willing to play in the regional security system. We will continue to give assistance to the RSS, he told reporters during a stop-over here en route to Colombia where he flies today.

Howe, who arrived last night, said the RSS was among issues raised when he met Prime Minister Errol Barrow and Foreign Minister Sir James Cameron Tudor. He was unable to state the cash equivalent of aid Britain has so far channelled into the RSS, mainly in the form of police and coast guard training.

The RSS involves Barbados (the biggest contributor), St Lucia, Dominica, St Vincent and the Grenadines, Antigua and Barbuda, Grenada, and St Kitts and Nevis.

The new administration here said it favours de-emphasizing the military aspect of the RSS and concentrating more on coast guard services to combat drug smuggling among other areas.

Howe pronounced British-Barbados relations in excellent shape.

Howe said Britain welcomed Guatemala's statement of intention on the recent resumption of diplomatic relations with Britain that it would seek to make contact with Belize with a view towards reaching negotiated settlement of their border dispute. But he indicated there was no direct role for Britain in the process as it was a bilateral matter. We are very interested in the prospects for success in that process. We...are anxious to see it succeed but it is not for us to promote a solution, Howe said.

Britain has maintained a garrison in Belize because of a Guatemala invasion threat.

TRINIDAD AND TOBAGO

SUGAR PRODUCERS ON EFFECTS OF U.S. CUT

FL022310 Bridgetown CANA in English 1624 GMT 2 Jan 87

[Text] Port-of-Spain, Trinidad, Jan 2, CANA -- Trinidad and Tobago's monopoly sugar producers, Caroni 1975 Limited, could lose TT6.7 million dollars (one TT dollar; 27.2 US cents) this year, as a result of the 41 percent sugar import cut announced by the United States last month, according to Caroni general manager, Russell Wotherspoon.

Wotherspoon told the Trinidad GUARDIAN newspaper that Caroni would still not reduce its 100,000 metric tonne target for 1987, but would seek to export the excess to non-sugar producing Caribbean community (Caricom) countries.

The Trinidad and Tobago quota had already been slashed from 19,318 (metric) tonnes in 1984, with earnings of TT20.1 million dollars to 16,130 tonnes in 1985 and revenue to TT14.7 million dollars.

The 1987 quota is expected to be 6,804 tonnes down from 11,340 last year.

The cuts coincide with inproving output here. From a record low of 69,700 tonnes in 1984, Caroni produced 81,000 tonnes in 1985 and 93,000 tonnes last year, despite labour problems and a diversification programme that pulled some lands out of sugar.

Local canefarmers have complained that the quota cuts could pose a serious threat to their own viability.

The Trinidad Island-Wide Canefarmers Association (TICFA) said private canefarmers had embarked on a programme to increase their production by some 50,000 tonnes this year above the 425,000 tonne 1986 figure.

With the U.S. announcement, we have now found ourselves in a quandary, aid TICFA chairman, Seepersad Arjoonsingh.

He called on the new government to meet U.S. officials on the matter.

Arjoonsingh said Caroni might be able to cope with the reduction due to its diversification plans, but private canefarmers faced a big blow.

Caribbean governments have already made joint representation to Washington on the issue.

PRESIDENT HOYTE ANNOUNCES CABINET APPOINTMENTS

FL011554 Bridgetown CANA in English 1548 GMT 1 Jan 87

[Text] Georgetown, Guyana, Jan 1, CANA -- President Desmond Hoyte has restored Robert Corbin as a deputy prime minister, 13 weeks after he resigned to clear his name of allegations of criminal misconduct. Corbin was given responsibility for a new Ministry of Public Utilities in a government reshuffle announced by Hoyte last night.

The president promoted four ministers, brought in a newcomer, and switched around responsibilities in his cabinet. The changes also affected high-level public service posts.

Hoyte secured the resignation of the cabinet Tuesday [30 December] to facilitate a reorganization of his year-old administration.

Corbin, 39, quit as one of five deputy prime ministers on October 9 after a young woman accused him of attempted asault. Twelve days later, the director of public prosecutions said there was not sufficient evidence to institute criminal proceedings against the minister. Corbin was the manager of Hoyte's successful general election campaign in December 1985.

Notable ommissions from the new government appointments are former West Indies cricketer Roy Fredericks, who had served as minister of youth and sport and A K Habibulla, who was parliamentary secretary in the Office of the President.

In the ministerial promotions, Deryck Bernard (previously a non-cabinet minister), becomes senior minister in the Ministry of Education, Jules Kranenburg is now senior minister of communications and works, Jailall Kissoon (formerly minister of state for health) is now a full minister, and Stella Odie-Alli (previously parliamentary secretary) moves up to minister of state in the Ministry of Home Affairs.

New face among the ministers is Dr Noel Blackman, a Guyanese who has returned home from abroad. He has been appointed a senior minister in the Ministry of Health.

Dr Richard Van West Charles, previously senior minister of health, has been re-appointed senior minister in charge of the new Ministry of Medical Education, Environment, and Food Policy.

Hoyte also announced wide-ranging re-assignments in the public service and new heads of four public entities.

He told the nation that the reorganization of the government was "intended to be a clar signal to public service and political functionaries, to the nation, and to the international community that the government means business."

Hoyte said the government will be taking the strongest possible action "to establish a culture of due regularity and accountability."

OPPOSITION DEMANDS VENEZUELA PACT DISCUSSION

PA040426 Paris AFP in Spanish 2321 GMT 3 Jan 87

[Text] Georgetown, 3 Jan (EFE) -- The leftist parliament opposition in Guyana today demanded that the group analyze and discuss the economic agreements signed by the government with their neighbor, Venezuela.

The agreements, signed in April last year, allow the exchange of Guyanese bauxite for Venezuelan oil. Guyana consumes 8,000 barrels of fuel per day.

Cheddi Jagan, leftist opposition leader and former prime minister, began the debate demanding that President Desmond Hoyte's government submit the agreements to parliament for their analysis.

A spokesman of the minority (Marxist-Leninist) People's Progressive Party, which is led by Jagan, said that the government of the People's National Congress party "must be hiding something if it does not want to reveal the full text of its agreement" with the neighboring country.

Eusi Kwayana, leader of the Working People's Alliance (WPA), another leftist group supported Jagan and said that "the government's forgetfulness in submitting the agreement to parliament is a piece of arrogance."

Planning and Economic Development Minister William Haslyn Parris, who signed the agreements in Caracas, said that the contents will be made available to opposition leaders.

UNION URGES REGIONAL ACTION ON SUGAR CUT

FL022302 Bridgetown CANA in English 1435 GMT 2 Jan 87

[Excerpts] Georgetown, Guyana, Jan 2, CANA -- the Guyana Agricultural Workers Union (GAWU), which represents the majority of the country's 26,000 sugar workers, has strongly condenmed the United States action to reduce the 1987 Caribbean sugar import quota by 44 percent.

In a statement released today, GAWU said the American action "represents total disregard for the Caribbean people and the governments and in particular the regions sugar workers." [passage omitted]

REQUEST FOR WITHDRAWAL OF NETHERLANDS AMBASSADOR

Bouterse Announces 'Measures'

FL022028 Paramaribo International Service in English 1730 GMT 2 Jan 87

[Text] Government leader Desi Bouterse in a New Year's speech said that the most important (?event) which took place in 1986 was the government's attempts to involve the people through organizations to participate in affairs of the state. During his New Year's speech on television he mentioned the fact that relations had been made with the unions by the enterprise and after long dialogue, after coming to terms [words indistinct] the cohesion of political parties. He said he's (?content) that the leaders of these parties have realized the mistakes they have made in the past.

Commander Bouterse, in his New Year's speech, said that while all parties in Suriname were busy making a bid for further development, (?hell) descended unto earth, and the Brunswijk gang started its activities. He said that peace and stability had to make way for fear, destruction, and uncertainty, adding that it is a serious attack on [as heard] those who realize that they would not have a chance when Suriname gets its new constitution.

In his speech Commander Bouterse paid tribute to those members of the National Army and People's Militia, as well as innocent civilians who lost their lives during the clashes. (?Life) in 1986 has made it clear to Suriname who its friends are and who its enemies are, according to Commander Bouterse, who announced that measure will be taken soon with regard to the relations with Holland. He closed his speech by calling again on the people for unity in the new year so we ourselves can build our country.

Formal Withdrawal Request

PA030219 Buenos Aires REUTER in Spanish 0126 GMT 3 Jan 87

[Text] Amsterdam, 2 Jan (REUTER) -- The Surinamese Government today asked the Netherlands Government to withdraw its ambassador in that former Netherlands colony, according to reports by local news media.

A spokesman of the Netherlands Foreign Ministry said today that the authorities at The Hague would issue no comments on the reports, but confirmed that Ambassador Dirk Van Houten received a note from Surinamese Foreign Minister Hendrik Herrenberg on New Year's Eve. The spokesman said that the Netherlands Foreign Ministry would abstain from any comments until it has answered the note, possibly early next week.

Netherlands correspondents in Paramaribo reported that Herrenberg delivered the note to Van Houten after the ambassador published a list of people reportedly murdered by the government in its campaign against a rebel group. They added that the message reasserted Suriname's charges concerning the Netherlands' alleged complicity in terrorist actions and the rebel activities in that convulsed Latin American country, and demanded the delivery of 1.6 billion crowns ($73 million) in development funds that The Hague has granted but not delivered.

The Surinamese authorities reduced the level of their diplomatic representation in the Netherlands during 1985, recalling Herrenberg, who was then the ambassador, and replacing him with a charge d'affaires.